

# Inflation dashboard

March 2024



The Federated Hermes Inflation Dashboard is a snapshot of U.S. inflation. The dashboard's indicators work together to create a more comprehensive picture of inflation's trajectory on a monthly basis rather than relying just on the Federal Reserve's preferred inflation metric, Core Personal Consumption Expenditures.

Will inflation settle to be consistent with long-term averages, or the low-inflation environment seen from 2000-2019?

			Entire History			Since 2000			Current			
	Start date for analysis	Most recent data point	25th percentile	50th percentile	75th percentile	25th percentile	50th percentile	75th percentile	Implied Fed target	Current (YOY%)	Proj. 2024 Y/E at 3 mo. avg rate	Federated Hermes 2024 forecast
Inflation measure												
<b>Personal Consumption Expenditures (PCE)</b> • Based on surveys of what businesses are selling • Measures consumer spending for a period of time												
<b>Headline PCE<sup>1</sup>:</b> Includes food and energy sectors, which can more accurately represent real expenses	1/1959	1/2024	1.62%	2.56%	4.28%	1.40%	2.00%	2.70%	2.25%	2.40%	2.03%	-
<b>Core PCE<sup>1</sup>:</b> Does not include food and energy sectors, which can be very volatile	1/1959	1/2024	1.60%	2.28%	4.43%	1.52%	1.75%	2.11%	2.00%	2.85%	2.83%	2.50%
<b>Trimmed PCE:</b> Removes a certain fraction of the most extreme observations, then takes a weighted average of the remaining observations	2/1977	1/2024	1.85%	2.37%	3.70%	1.70%	2.00%	2.42%	2.24%	3.16%	3.04%	-
<b>Consumer Price Index (CPI)</b> • Based on a survey of what households are buying • Measures the average change in prices over time												
<b>Headline CPI<sup>2</sup>:</b> Includes food and energy sectors, which can more accurately represent real expenses	1/1959	2/2024	1.77%	3.02%	4.71%	1.54%	2.23%	3.38%	2.48%	3.15%	4.09%	-
<b>Core CPI<sup>2</sup>:</b> Does not include food and energy sectors, which can be very volatile	1/1959	2/2024	1.99%	2.80%	4.76%	1.73%	2.14%	2.44%	2.38%	3.75%	4.25%	2.90%
<b>CPI Services<sup>2</sup>:</b> Includes intangible items	1/1959	2/2024	2.74%	3.53%	5.54%	2.46%	2.89%	3.37%	3.14%	5.22%	6.30%	-
<b>CPI Goods<sup>2</sup>:</b> Includes tangible items	1/1959	2/2024	0.26%	1.54%	3.96%	-0.50%	0.07%	0.75%	0.32%	-0.30%	-1.10%	-
<b>Sticky CPI:</b> Includes items on which prices change relatively slowly	1/1967	2/2024	2.48%	3.25%	5.18%	2.12%	2.43%	2.86%	2.68%	4.39%	5.03%	-
<b>Flexible CPI:</b> Includes items on which prices change relatively frequently	1/1967	2/2024	1.09%	3.09%	5.43%	-0.42%	1.92%	5.11%	2.17%	-0.16%	1.49%	-
<b>Atlanta Fed Wage Growth (overall):</b> Gross figures that reflect changes in basic hourly and incentive wage rates	1/1983	2/2024	3.40%	4.10%	5.10%	3.00%	3.50%	4.10%	3.75%	5.00%	-	-
<b>5-year Breakeven Inflation Rate:</b> A gauge of expected inflation within the U.S. over the next five years	1/2002	2/2024	1.59%	1.95%	2.33%	1.59%	1.95%	2.33%	2.20%	2.44%	-	-

Sources: Bloomberg and Federated Hermes. As of 3/20/24.

Since 1/1/00: **Green:** Below 50th percentile **Yellow:** Between 50-75th percentile **Red:** Above 75th percentile

<sup>1</sup> Utilizes Seasonally Adjusted data for all metrics.

<sup>2</sup> Utilizes Seasonally Adjusted data for only 2024 Projections.

**Investing involves risk including possible loss of principal.**

**Past performance is not indicative of future results.**

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